GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

APIIC – Sale of 1,589.74 (2,094.74 – 505) acres of land to M/s. Kakinada Special Economic Zone (KSEZ) Private Limited and to process allotment of Acs. 289.77 (10.39 acres Govt. land + 279.38 Assigned land) land located in the midst of the lands given to KSEZ in lieu of allotment of 505 acres of land to M/s Divi's Laboratories Limited in Kona (V), Thondangi (M) East Godavari district – Accorded – Orders - issued.

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INDUSTRIES AND COMMERCE (INFRA) DEPARTMENT

G.O.MS.No. 74 Dated:14-09-2015

Read the following:

1. Govt. Memo No.41715/Assn-VI/2007-1, Rev. Dept Dated: 03.08.2007.
2. G.O.Ms.No.594, Revenue (Assn.VI) Dept, dated 12.12.2013.
3. From the C&MD, Divi's Laboratories Limited, Letter. dt.27.09.2014.
4. Single file of APIIC No.APIIC/Projects/Divis Laboratories/Kakinada /2014.
5. G.O.Ms.No.163, Revenue (Assn.II) Dept, dated 13.05.2015.
6. G.O.Ms.No.164, Revenue (Assn.II) Dept, dated 13.05.2015.
7. From the VC&MD, APIIC Lr.No.620APIIC-Projects/Divi's/ Kakinada/2014-15, dt.21.05.2015.
8. From M/s KSEZ Private Ltd Letter dt.29-5-2015 addressed to APIIC.
9. From the VC&MD, APIIC Lr.No.LO:2/26/Lands/APIIC/2015, dt.17.06.2015
10. G.O.Ms.No.73, Ind. & Com. (Infra) Dept, dated:14-09-2015.

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ORDER:

In the reference 1st read above, the Govt. accorded permission to the District Collector, East Godavari to handover advance possession of Government/ Assigned land to an extent of Ac.2,094.74 to the APIIC for the establishment of industrial park/port and industrial back up area pending finalization of the alienation proposals. Accordingly, the District Collector, East Godavari has handed over advance possession of the said land to the APIIC on 14.06.2008 and in turn the APIIC has handed over the possession of the land of an extent of Ac.2,094.74 to the KSEZ for safe custody on 09.07.2008.

2. In the G.O. 5th read above, the Government issued orders allotting the land to an extent of Ac.1,473.63 cents (Ac.1,396.91 cts. of Assigned land and Ac.76.72 cts. of Government land) in Survey No. 296 to 510 situated at Kona village, Thondangi Mandal of East Godavari District in favour of APIIC for establishment of industrial park/port and industrial backup area, to the extent that the allotment shall be made on an alienation basis, instead of lease basis.

3. In the G.O. 6th read above, the Government issued orders to alienate the Government land to an extent of Ac.554.26 cents (Ac.342.86 cents of Govt./DKT land in Sy.No.296 to 510 and Ac.211.40 cents of resumed assigned lands in Survey Nos. 313 to 510) in Kona village, Thondangi Mandal East Godavari District, in favour of the APIIC for setting up of industrial park/port and industrial back up area on payment of market value @ Rs.3.00 lakhs per acre towards the cost of land subject to adjustment of the resumption charges in the land cost and also subject to certain conditions and conditions under BSO-24.

(P.T.O.)

4. M/s Divi's Laboratories Limited in their letter 3rd read above, has requested for allotment of 505 acres of land for setting up an Active Pharmaceutical Ingredients (API) and intermediates manufacturing facility in Kona village, Kakinada with an investment of Rs.1500 crores with a potential to create employment to 5000 people. The land requested by M/s. Divi's Laboratories Limited forms part of 2094.74 acres of land intended for M/s Kakinada SEZ (P) Ltd. by APIIC for setting up of a port based multiproduct SEZ which was under safe custody of KSEZ.

5. APIIC in the reference 7th read above has stated that, allotment of 505 acres of land to M/s. Divi's Laboratories Limited was discussed with M/s. Kakinada SEZ on 24.12.2014 and they have agreed to surrender 505 acres of land to APIIC for onward allotment to M/s. Divi's Laboratories Limited with a condition to acquire 289.77 acres of assigned land located in the midst of the land given to KSEZ at the same price of original allotment. The APIIC has agreed in principle to process their acquisition as per norms of the Govt and representative of M/s. Divi's Laboratories Limited team have agreed for allotment of 505 acres of land as per norms of APIIC. The VC & MD, APIIC Ltd., has furnished survey number wise particulars of land of 505 acres proposed to allot to the M/s. Divi's Laboratories Limited.

6. The APIIC has also stated that M/s. KSEZ stated that the company would be able to complete the projected activities of Industrial Park /port/ Industrial back up area in Kona land within a time frame of 30 months from the date of title transfer. The company is in possession of relevant approvals and have completed all the requisite design and engineering studies for progressing with the projected activities in the Kona land. The establishments proposed to be set up in Kona land which includes Port, Port based industries and other allied activities would lead to creation of huge direct and indirect employment besides spurring the industrial activity and realization of Government of A.P. vision of ushering in "Sunrise State of Andhra Pradesh. And KSEZ has requested to alienate the Kona land of 1898 acres in favour of KSEZ at an early date.

7. Government observed that the lands of the Kakinada SEZ (KSEZ) provide one of the few opportunities for clustered industrial growth, in the central coastal districts of the State, which are presently in a low development equilibrium, as they are dependent largely on agriculture for their economic growth. The KSEZ in view of it's deep hinterland, potential for agriculture & marine/ aquaculture based industries, strategic location on the coast, proximity to oil/gas fields, excellent road & rail connectivity & having the facility of a captive port has the inherent potential to develop on the lines of a Shenzen or a Guangzhou which have catapulted China as a global industrial behemoth. The GMR group, during the recent visit of the Hon'ble Prime Minister of India to China, has signed an MOU with GIIC, a consortium from Guizhou province of China, for setting up of a high end engineering park in 2,000 acres of land in the Kakinada SEZ. As per the MOU, the GIIC, proposes to invest $ 500 million in the development of the enabling infrastructure & is likely to attract an overall investment ranging from $ 2-3 billion from Chinese entities. This is indeed a good augury for the future development prospects of the KSEZ. However, in view of the past experience, there may be a need for putting in place adequate safeguards to ensure that M/s KSEZ (P) Limited takes all the necessary steps to ensure the rapid development of the KSEZ & the industrial park / port and industrial back up area related to the KSEZ.

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7. In the G.O. 9th read above, Government accorded permission to APIIC for allotment of 505 acres of land out of the 2,094.74 acres of APIIC land originally earmarked for setting up of industrial park/port and industrial back up area related to the KSEZ, in favour of M/s. Divi's Laboratories Ltd for setting up an Active Pharmaceutical Ingredients (API) and intermediates manufacturing facility in Kona (V), Thondangi (M) East Godavari District.

8. Government after careful consideration hereby agrees to the request of M/s. Kakinada Special Economic Zone (KSEZ) Private Limited for sale by APIIC of Acs. 1,589.74 (Acs.2,094.74 – Acs.505) of land and to process the proposals for alienation of Acs. 289.77 of land (Acs.10.39 Govt. land + Acs. 279.38 Assigned land) located in the midst of the lands given to KSEZ in Kona (V), Thondangi (M) East Godavari District, in lieu of allotment of 505 acres of land to M/s Divi's Laboratories Limited and since the investment is of a critical & prestigious nature, duly imposing a binding condition that the SEZ & the individual park/port and industrial back up area related to the KSEZ shall be fully developed in a period of (36) months and in default, the sale of the land shall be deemed to have been cancelled and that the M/s. KSEZ Pvt. Ltd., shall give a detailed time bound investment plan and development plan to the APIIC for both the SEZ & the individual park/port and industrial back up area related to the KSEZ.

9. The Vice Chairman & Managing Director, Andhra Pradesh Industrial Infrastructure Corporation Limited (APIIC) shall take further necessary action in the matter, accordingly.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

S.S.RAWAT
SECRETARY TO GOVERNMENT &
COMMISSIONER FOR INDUSTRIAL PROMOTION

To
The Vice Chairman & Managing Director, APIIC Limited, A.P., Hyderabad.
The District Collector, East Godavari Dist.
Copy to:
The Revenue (Assn.II) Department.
P.S to C.S to Govt. of A.P.
P.S. to Secretary to Chief Minister,
P.S. to Secy. to Govt.& CIP., Ind. & Com. Dept.
The G.A. (Cabinet) Department.
Sc/Sf

//FORWARDED : : BY ORDER//

SECTION OFFICER